

**Missouri Department of Agriculture**

**Missouri Agricultural & Small Business  
Development Authority**

**Dairy  
Early Planning Grant  
Application Packet**

**COMPLETE APPLICATIONS MUST BE RECEIVED BY:  
OCTOBER 1, 2004**

**MAIL TO:**

MASBDA  
P.O. Box 630  
1616 Missouri Boulevard  
Jefferson City, MO 65102-0630

Phone: 573-751-2129

Fax: 573-522-2416

E-mail: [masbda@mda.mo.gov](mailto:masbda@mda.mo.gov)

Website: [www.mda.mo.gov](http://www.mda.mo.gov)

## SUMMARY INFORMATION

### A. PURPOSE

The goal of the Early Planning Grant (EPG) is to improve profitability, increase production, encourage and facilitate startup, modernization, and expansion of Missouri dairy farms.

### B. FUNDING AVAILABILITY

The EPG can provide 75 percent of eligible project costs up to a maximum of \$3,000. The actual amount of funds awarded to any applicant is based upon fund availability.

### C. MATCHING FUNDS

Applicants are required to contribute at least 25 percent of total project costs from sources other than the State of Missouri.

### D. ELIGIBLE APPLICANTS

Existing or start-up Missouri dairy operations that are or will be owned and/or managed by a Missouri resident.

### E. ELIGIBLE ACTIVITIES

Proceeds from an award may only be used to contract with a pre-approved qualified, **independent third party** to provide professional services necessary to assist the applicant in evaluating start-up, modernization, expansion, or increased production of a Missouri dairy farm. Eligible professional services include activities that are necessary for the applicant to make a “go” or “no go” decision (i.e., business planning expenses).

Example: Costs associated with developing a business plan that fully examines the feasibility of the proposed venture would be eligible. However, costs incurred to develop detailed architecture and engineering plans are not eligible.

To be eligible for funding, the plan must, at a minimum, contain the following key components of a business plan:

- Executive summary
- Short term goals, long term goals, and objectives
- Management analysis
- Current and historical financial information
- Analysis of proposed business changes
- Action plan/plan of work

A sample business plan outline is included in this application as Attachment B.

## F. INELIGIBLE ACTIVITIES

There are many types of professional services that are beneficial to dairy farm businesses as they position themselves for the future. However, given the funds available, eligibility is limited to business planning activities. Therefore, the following list is being provided to give you an idea of the type of professional services that **are not** eligible.

### **Services Not Eligible For Funding:**

1. Detailed engineering services such as:
  - Building design
  - Farmstead layout
  - Manure storage design
2. Detailed nutrition consulting such as:
  - Ration formulation
  - Total mixed rations
3. Retirement and investment planning
4. Tax planning and tax return preparation
5. Intergenerational transfer planning
6. Information system development or consulting
7. Loan generation/origination documentation
8. Chattel or real estate appraisal
9. Detailed crop consulting
10. Nutrient management planning
11. Detailed herd health consulting
12. Cost of completing a dairy early planning grant application

**Note:** This list is for information purposes only and is not meant to be an all-inclusive list of ineligible activity. **COSTS INCURRED PRIOR TO SUBMISSION, AND APPROVAL OF THE APPLICATION, ARE NOT ELIGIBLE FOR REIMBURSEMENT.** If you have questions regarding eligibility, please contact Missouri Agricultural and Small Business Development Authority (MASBDA) at (573)751-2129.

Visit our web page address at: <http://www.mda.mo.gov>

## **GRANT APPLICATION PROCESS:**

An application deadline will be established. Eligible applicants' grant applications will then be scored. Grants will be funded based on high score using the following scoring criteria.

### **Scoring Criteria for Early Planning Grant**

#### Development Potential: (40 points possible)

The goal of the Early Planning Grant (EPG) program is to improve the profitability and to encourage and stimulate the start up, modernization and expansion of Missouri's dairy farms. Preference will be given to proposals where the impact of the grant on a farm's profitability, growth potential and long term sustainability are the greatest.

#### Credibility & Merit: (25 points possible)

Qualifications of the project's principals and subcontractors are critical to the success of each project. The relative ability and technical qualifications of the project principals and subcontractors is a key consideration including:

1. Education, experiences in performing the requested types of studies, and the success rate for those projects by the consultant.
2. Qualifications of the individuals who will manage and operate the farm.
3. Education and experience of the management team with dairy start up, modernization and/or expansion.
4. Availability and quality of the labor force needed to operate the operation.

Points will be awarded based on the greatest demonstrated level of relevant skills and experience.

#### Timeliness: (15 points possible)

Projects should demonstrate a reasonable and feasible work plan and time frame for completion. The potential for timely application of results and near-term implementation of the EPG results will be a major consideration.

#### Matching Funds: (10 points possible)

Projects will be evaluated on the level of funding commitment from the applicant and other private or public sources. Matching expenditures may be in the form of cash or in-kind services such as labor and facilities. Any grant writing expenses qualify as an "other direct cost" and may be shown as an internal matching expenditure. Approved indirect costs may qualify as matching expenditures.

#### Merit (MASBDA Commissioner's Priority Points): (10 points possible)

These points are based largely on a commissioner's individual judgment of proposal's likely success.

## EARLY PLANNING GRANT APPLICATION PART I - GENERAL APPLICATION INFORMATION

### *APPLICANT*

Name of Farm			
Organizational Structure Corporation ____ LLC ____ Partnership ____ LLP ____ Sole Proprietorship ____ Other _____			
Farm Contact: <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <span style="width: 30%;">Last Name</span> <span style="width: 30%;">First Name</span> <span style="width: 30%;">Middle initial</span> </div>			
Title			Telephone Number
Address			Fax Number
City	State	Zip Code	County
Federal Employer ID Number (EIN) <b>OR</b> Social Security Number if a Sole Proprietor			

### *CONSULTANT WHO WILL BE PROVIDING PROFESSIONAL SERVICES*

Name of Consulting Firm			
Consultant's Name*			Telephone Number
Address			Fax Number
City	State	Zip Code	County

*\*If applicant will be using more than one consultant, please provide above information for each additional consultant and attach.*

### *PROFESSIONAL SERVICES*

**A proposed plan of work must be attached that includes:**

- **Key personnel**
- **List of professional resource providers**
- **Timetable**
- **Critical risks or concerns that will be addressed in the project**

***Not all types of professional services are eligible for reimbursement under this program.***

**NOTE:** You are encouraged to confer with your lender prior to selecting a consultant. Prospective lenders may have special requests for inclusion in the business plan. The ability to obtain financing is typically enhanced if business planning is conducted by a **truly independent third party**.

## **PART II - PROJECT EXHIBITS**

Please prepare information to address the following items and attach to the application:

### **A. PROJECT DOCUMENTATION**

1. Describe the applicant's proposed project relating to start-up, modernization, expansion, or increased production of a dairy farm.
2. Provide information regarding applicant's education and experience relative to dairy farming and, if applicable, describe the applicant's current dairy farm operation including:
  - Total number of acres farmed, and
  - Applicant's milk production and number of cows milked for each of the last three years.

### **B. CONSULTANT DOCUMENTATION**

1. Provide a copy of the consultant's itemized written proposal for services. Proposal **must** include the following information:
  - Specific professional services proposed by the consultant.
  - Number of hours consultant expects to spend providing professional services.
  - Consultant's proposed fee schedule.
  - Timeline (Plan of work to be completed not more than six months from the date EPG is awarded).
2. Background information on the consulting firm or professional resource providers must be on file with MASBDA. All professional services must be provided by an **independent third party**. All consultants who work with the EPG must have previously submitted background information on themselves and the firm they are representing along with a copy of a business plan previously prepared.

### **C. SUPPORTING DOCUMENTATION**

1. Applicant must submit a signed Certification of Information, Attachment A.

### **D. MAIL COMPLETED APPLICATION AND REQUIRED DOCUMENTATION TO:**

MASBDA  
PO Box 630  
1616 Missouri Blvd  
Jefferson City, MO 65102-0630

**All applications must be received by October 1, 2004.  
Only complete application packets will be considered.**

**ATTACHMENT A**  
Certification of Information

Pursuant to the "Early Planning Grant" administered by the Missouri Agricultural and Small Business Development Authority, the applicant(s) (signing below) hereby certifies, subject to penalties of perjury, the following:

1. I am not: (i) a commissioner or employee of the Missouri Agricultural and Small Business Development Authority with a substantial interest (as defined in R.S.Mo. Section 105.450(10)) in the project described in the grant application, (ii) a member of the Missouri General Assembly with a substantial interest (as defined in R.S.Mo. Section 105.450(10)) in the project described in the grant application, (iii) a state-wide elected official with a substantial interest (as defined in R.S.Mo. Section 105.450(10)) in the project described in the grant application, (iv) a director of a state department with a substantial interest (as defined in R.S.Mo. Section 105.450(10)) in the project described in the grant application, (v) a parent, child, spouse or sibling of any of the above either of who has a substantial interest (as defined in R.S.Mo. Section 105.450(10)) in the project described in the grant application.

The Missouri Agricultural and Small Business Development Authority reserves the right to modify or terminate any subsequent agreements with applicant if, at a future date, the authority becomes aware of misrepresentation(s) contained in this application.

In addition, by affixing my/our signature(s) to this application, I/we certify having read and understood the guidelines governing the award of these grants and agree to all conditions set forth therein and attest that all information contained in this application package is true to the best of the applicant's knowledge, information and belief.

Applicant (type or print): \_\_\_\_\_

Signature(s): \_\_\_\_\_

Title(s): \_\_\_\_\_

Date: \_\_\_\_\_

## **Business Plan Outline (Attachment B)**

### **I. Executive Summary**

- A. Proposed project description
- B. Mission statement

### **II. Operations Plan**

- A. Business organization structure
- B. Farm history
- C. Analysis of management abilities
  - 1. Business management, must include factors such as:
    - a. Labor management experience
    - b. Risk management
    - c. Equipment costs
    - d. Nutrient management experience
  - 2. Production management, must include factors such as:
    - a. Milk production per cow, feed cost per cow, nutrition, herd health, high quality forages, etc.
    - b. Average somatic cell count
    - c. Herd turnover rate
    - d. Herd mortality rate
  - 3. Financial management, must include factors such as:
    - a. Cost of production
    - b. Debt per cow, per cow investment
    - c. Debt to asset ratio, as well as other financial ratios
    - d. Return on assets
- D. Short and long term goals and timetable
- E. Expansion budgets
  - 1. Facility needs
  - 2. Cow flow
  - 3. Labor needs
  - 4. Feed budgets
  - 5. Waste management
  - 6. Insurance coverage
- F. Proposed financing sources

### **III. Implementation Plan**

- A. Action plan/Plan of work
  - 1. A detailed plan of work that maps out the step by step process of how the dairy will achieve the goals and timelines as called for in the business plan.
  - 2. List of project team members, consultants, subcontractors and other professional resource providers and their qualifications.
  - 3. How the proposed project is to be carried out, tasks to be performed and persons responsible.
  - 4. Timetable for each project task and completion dates, including implementation time.
  - 5. Critical risks and concerns.



## **Business Plan Outline (Attachment B)**

### **IV. Financials**

- A. Balance sheet & income statements
  - 1. Current balance sheet & income statement
  - 2. Historical balance sheet & income statement (prior 3 years)
  - 3. Proforma balance sheet & income statement
- B. Financial Projections
  - 1. Profit and loss
    - a. Assumptions
    - b. Analysis
  - 2. Cash flow
    - a. Assumptions
    - b. Analysis
      - i. 1<sup>st</sup> year -- monthly
      - ii. Year 2–3 -- annual
  - 3. Cost of production analysis
    - a. Historical, current & projected costs
      - i. 1st year -- monthly
      - ii. Year 2-3 -- annual
  - 4. Sensitivity analysis (“what if” analysis)

### **V. Supporting Documentation**

- A. Building plans
- B. Production records